

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 233 - HB 379

March 19, 2023

**SUMMARY OF BILL AS AMENDED (005984):** Makes changes to regulations under the *Private Protective Services Licensing and Regulatory Act*. Prohibits a person from knowingly hiring an employee as a security guard/officer if the individual is employed by a proprietary security organization and such individual has not received a valid registration card issued by the Commissioner of the Department of Commerce and Insurance (DCI). Exempts an employer from a violation of a Class A misdemeanor for the unlawful act of hiring an individual who acts as a security guard/officer on behalf of the company from holding a valid registration card if such employer utilized a contract security company.

Allows an unarmed security guard/officer employed by a proprietary security organization to carry a weapon.

Exempts an employee of a restaurant or establishment providing hospitality services at a place which offers sleeping accommodation for less than 30 nights per stay, from registering with the DCI if such employee's primary responsibilities do not involve the provision of security guard and patrol services.

**FISCAL IMPACT OF BILL AS AMENDED:**

**NOT SIGNIFICANT**

Assumption:

- The *Private Protective Services Licensing and Regulatory Act* requires entities that provide a security guard or patrol service on a contractual basis to register with the Department of Commerce and Insurance.
- The proposed legislation would not impact registration or regulation requirements of security guards under the Act. Fees under the Act are collected by the Board of Detection Services (Board).
- Such misdemeanor exemption is not estimated to have a significant impact on the number of caseloads in the court system.
- Allowing security officers employed by a propriety security organization to carry a weapon will not result in any significant fiscal impact.
- Specified hospitality employees already do not pay an application fee for registration under the Act; therefore, the clarification will not impact revenue under the Board's collections or revenue to such hospitality establishments.

- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. In FY20-21, the Board of Private Protective Services, Private Investigators & Polygraph, and Alarm Contractors merged to create the Board of Detection License Services.
- The Board of Detection License Services had a surplus of \$245,747 in FY21-22 and a cumulative reserve balance of \$2,996,724 on June 30, 2022.

## **IMPACT TO COMMERCE:**

### **NOT SIGNIFICANT**

Assumption:

- The proposed legislation will not significantly impact commerce or jobs in this state.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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